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STATE FOR TSUNAMI TASKFORCE 1, EAP AND WHA/CAN

E.O. 12958: N/A

TAGS: [EAID](#) [AEMR](#) [PGOV](#) [CASC](#) [CA](#)

SUBJECT: TFX001: ROUNDUP ON CANADIAN TSUNAMI ASSISTANCE

REF: A. OTTAWA 228

[B](#). OTTAWA 12

[C](#). OTTAWA 6 (MORATORIUM)

[D](#). 04 OTTAWA 3483

[1](#). The increase in GOC tsunami assistance to C\$425 million (US\$340 million), from an initial C\$1 million on December 26, reflects the overwhelming response of the Canadian public. The GOC has allocated C\$36 million (about US\$30 million) of the total to the UN Flash Appeal and C\$265 million (over US\$210 million) to immediate humanitarian relief and rehabilitation, covering expenses in FY2004-2005 (ending March 31). The GOC's offer to match private donations to approved NGOs made by January 11, 2005 (see para. 4), will use approximately C\$200 million (over US\$160 million) of the funds allocated for immediate humanitarian relief, although that number may still increase. Given Canada's population of about 32 million people, total GOC and private contributions of C\$615 million come to about C\$20 (over US\$15) per person.

[2](#). The remaining C\$160 million (US\$128 million) is committed over four years. However, Finance Minister Ralph Goodale, in a statement highlighting Canadians' generosity to tsunami victims, emphasized that "Canadians must not lose sight of our obligations elsewhere in the world," listing Canadian support for the Global Polio Eradication Initiative, his role on the Commission for Africa, and recent debt forgiveness for African countries as examples of Canada's global efforts.

How can we show how much we care?

[3](#). Prime Minister Martin added stops in tsunami-affected countries to his recent swing through Asia (ref A). Canada's tsunami response covers a wide range of activities (all

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funded from the C\$425 commitment), including:

-- Deployment of the Disaster Assistance Relief Team to Ampara, Sri Lanka. The DART set up operation on January 10, with a focus on primary medical care, provision of fresh water, and some engineering ability.

-- Provision of supplies such as pharmaceuticals, flashlights, blankets.

-- An offer of debt moratorium for one year for affected countries (ref C).

-- Tax deductions in 2004 for tsunami contributions made through January 11, 2005.

-- Canadian Space Agency collaboration in providing satellite imagery.

-- Deployment of 10 forensic specialists to Thailand.

Other initiatives include:

-- Fast-tracking permanent-resident visas for family members from the region.

Proposals to expedite adoptions faded quickly upon recognition of trafficking concerns.

Matching Funds: Probably a one-off program

[4](#). Immediately after the disaster, the GOC announced that private donations for tsunami relief, made to approved NGOs between December 26 and January 11, would be matched by the federal government. Canada's International Development Agency (CIDA) expects to match at about C\$200 million (US\$160 million) in private contributions. Although 26 NGOs were approved for the matching program, over half of the total collected was donated through the Red Cross, which reports almost C\$130 million (about US\$100 million) in eligible contributions. On January 24, the Canadian Red Cross released preliminary proposals for disbursement of its tsunami aid. In order to receive matching funds from CIDA,

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the approved NGOs must submit project proposals within about the next 10 weeks. GOC funds will be distributed on a project-by-project basis as tsunami relief progresses in order to minimize duplication and make sure the focus remains in priority areas.

15. Although the matching program worked, in the sense that the matching may have boosted contributions, GOC officials tell us it is unlikely to be repeated. Uncertainty about the total to be matched complicates budgeting. The GOC initially expected to match C\$50 million in donations and the surge in private contributions was a factor in rapidly boosting Canada's overall tsunami aid. The matching also adds administrative costs. An interagency committee was formed to evaluate NGO claims of eligibility, and additional committees will be needed to evaluate aid proposals by the NGOs.

16. Because the matching funds come from Canada's overall tsunami commitment, there is a shell-game element: funds

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used to match donations to NGOs won't be available for other uses. On the other hand, NGOs qualified for the matching program by having existing humanitarian operations on the ground in the affected area and a proven record of effective humanitarian relief work. To the extent the matching program attracted additional private funds, these NGOs can quickly expand their programs. A few lonely voices have raised the question of why the GOC is using any taxpayer funds for tsunami relief, rather than just relying on private

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generosity. This reflects the tsunami's influence in raising foreign aid issues about which the public is usually unconcerned. (Similarly, commentators started to question the regulation that requires 90% of Canadian food aid to be purchased in Canada.) There is also the likelihood that failure to match private contributions to future disasters will be considered discriminatory.

From Provinces to Piggy Banks

17. Most provincial governments responded with contributions of about C\$100,000 (about US\$80,000), with most funneling contributions through the Red Cross. Alberta led the pack with C\$5 million, Saskatchewan chipped in C\$1 million, and tiny Prince Edward Island contributed C\$20,000. As in the U.S., private donations have ranged in scope from a C\$5 million donation from the owners of Music World, described as the largest personal donation ever to the Canadian Red Cross, to the proceeds of bake sales and the contents of piggy-banks. The corporate and arts worlds also raised funds for disaster relief.

Debt Moratorium: Amount still not clear

18. The GOC was quick to announce a debt moratorium for affected countries (ref B) and has a "worst-case" estimate of the present value of the proposed debt moratorium, assuming full take-up over three years. However, several countries have already confirmed that they do not intend to avail of international offers of debt moratorium, and the period is unlikely to last for three years. Finance policy makers are balancing a desire to be generous with concern about becoming out of step with the Paris Club and a recognition that Australia's position (give aid; don't forgive debt) makes sense. Money not used for debt relief will be reassigned to other assistance to the region. Although individual banks are waiving fees for remittances to the disaster area, that service has not been widely publicized.

Consular situation

19. The Department of Foreign Affairs tells us that as of January 21, the toll of Canadians is five confirmed dead (three in Thailand; one in Sri Lanka; one in India). In addition, one person is presumed dead in Thailand. Nineteen others in Thailand are confirmed to have been in the area, have not been accounted for, and there is "grave concern for their safety." In addition, there are 55 people who may have been in the affected area and are still unaccounted for. The consular hotline will close at the end of this week, but Canadians can continue to call the usual emergency number (613-996-8885) for information.

110. The team of 10 forensic specialists and two case officers has been rotated out and three-to-four specialists are still assisting at the Disaster Victim Identification center. The forensic team did ID one of the Canadian victims confirmed dead last week.

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